Monthly Review

Federal Reserve Bank of Boston

NEW ADDITION OF THE FEDERAL RESERVE BANK OF BOSTON

Printing and Publishing in New England

A SMALL INDUSTRY WITH WIDE INFLUENCE

Continued gradual growth of the printing and publishing industry in New England seems assured by the strong demand for products of the industry. Large segments of the industry, such as newspaper publishing and job printing, are geared to serve local needs. Continued research into new processes designed to reduce costs and improve quality plus a ready supply of materials and good distribution facilities should strengthen New England's position in that part of the industry serving a national market.

IN 1638, Stephen Daye set up a printing press in Cambridge, Massachusetts and launched the printing industry in the American colonies. That event gave New England an early leadership in the printing and publishing industry of the budding nation. Until after the Civil War, New England maintained a commanding lead, especially in the publishing segment of the industry. It was inevitable, however, that New England's role in this industry, much of which is geared to serve local needs, should decrease materially over the years. The rapid growth of printing and publishing firms in New York and the area around Chicago has also lessened the relative importance of New England firms, but they continue to make valuable contributions to the regional economy.

The combined printing and publishing firms of New England constitute only a moderate-sized industry group. In 1952, the industry ranked eleventh among the region's 19 manufacturing industries in terms of employment, providing jobs for close to 58,000 workers. But available statistics do not include the large number of persons engaged in printing and publishing activities within government, trade and industry.

While the industry's employment must be considered small in comparison with the area's giants, such as textiles, machinery and leather and shoes, the influence it exerts is tremendous. Newspapers, books, magazines and pamphlets, labels, food wrappers, greeting cards, calendars, checks, business forms, and a host of other items in daily use are all products of the printing and publishing industry.

The rapid increase in the volume of advertising employed to sell the products of other industries has contributed greatly to the growth of printing and publishing. Newspaper publishers, for example, derive more revenue from the sale of advertising space than from subscription sales. The same is true of periodicals. Much of the output of job printing shops is also used for advertising purposes. As a result of close customer contacts with advertisers and others, the printing and publishing trades often appear to have more of the characteristics of a service industry than of a manufacturing industry.

Expansion of printing and publishing in New England has been slower than that in some of the region's more recently established industries. Between 1919 and 1947, employment by the industry in New England increased by 26 per cent. Much of the expansion came after 1939. Nationally, employment in printing and publishing increased by 56 per cent over the same period.

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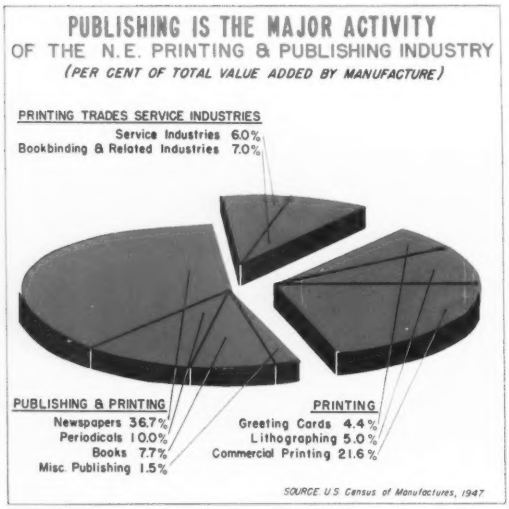


In New England, as in the country as a whole, the printing and publishing industry is made up predominantly of small firms. Less than one concern in twenty in New England employs 100 or more workers. Thirty-five per cent of the shops were either owner-operated or had less than four employees in 1950. An even larger proportion of national firms fell into this small size group.

The wide diversity of items produced invites specialization and the establishment of many small firms. The ease of setting up shop and the local character of the market served by a large portion of the industry also encourage the small producers. But not all of the firms in the industry fall into the small classification. Book printing firms and greeting card plants in particular tend to be considerably larger than the industry average. The Rumford Press and Rust Craft Publishers, Inc., are examples of large-scale operations in the New England printing industry. Most major segments of the industry have some large firms.

Stable Employment Benefits Workers

While only four per cent of the New England manufacturing workers were employed by the printing and publishing industries in 1952, they enjoyed greater stability of employment than workers in most other industrial fields. Over the years, the industry has shown marked resistance to changes in business conditions. Many firms have also minimized seasonal production problems that are characteristic of many of the nondurable-goods industries by product diversification.

Employment experience since 1948 attests to the greater than average stability of the industry. Manufacturing employment in New England fluctuated through a total range of 18.4 percentage points in the five-year period 1948-1952. Employment in the printing and publishing industry varied through a range of only six percentage points, less than a third of the changes up and down of manufacturing as a whole. Even the combined nondurable-goods segment of New England manufacturing showed employment fluctuations over a range of 14 percentage points.

Besides having greater employment stability, New England workers in the printing and publishing trades enjoy one of the highest wage levels of any of the region's industrial workers. In March 1953, weekly earnings of Massachusetts workers in the printing and publishing industry averaged $74.42 for an average work week of 37.7 hours. Average weekly earnings for all of the state's manufacturing workers were $65.98 for a 41.0 hour week. Higher earnings were recorded for workers in several other industries such as transportation equipment, machinery, primary metal products and ordnance, but the hours worked in such industries ranged between 40.5 and 45. The high degree of unionization existing in newspaper publishing, which is the most important part of the industry, has substantially boosted the wage level of the industry.

The location of a firm in the printing and publishing trades is largely governed by the type of market it intends to serve. Newspaper plants are closely tied to centers of population as are some job printing establishments and companies providing services to the printing trades. Other firms with more widely dispersed markets, such as those engaged in printing and publishing of books, periodicals and greeting cards, and some commercial printing establishments, have more freedom in locating their plants and are able to take advantage of more favorable labor conditions, plant space or distribution facilities. In some instances in the publishing field, editorial offices are maintained in some convenient center away from production facilities. Houghton-Mifflin Company with offices in Boston carries out production at its Riverside Press in Cambridge. Other firms have the printing work performed at plants a greater distance from their editorial offices.

Within New England, nearly two-thirds of the industry's workers are employed in Massachusetts, and another 20 per cent in Connecticut. As is to be expected, newspaper production facilities are scattered throughout the region.

Most of New England's book printing and publishing industry is located in Massachusetts. Such long-established firms as Little, Brown and Company, and Houghton-Mifflin Company make Boston the central focus for this activity in New England. Textbook publishing continues to be a specialty of the Bay State

EMPLOYMENT IN THE PRINTING AND PUBLISHING INDUSTRY UNITED STATES AND NEW ENGLAND — 1947

	United States		New England	
	Number of Employees (in thousands)	Per Cent of Industry Employment	Number of Employees (in thousands)	Per Cent of Industry Employment
Printing and Publishing — total.	**715.5**	**100.0%**	**54.2**	**100.0%**
Newspapers	234.4	32.8	17.9	33.0
Commercial printing	193.4	27.0	14.1	26.0
Bookbinding and related industries	42.6	5.9	4.9	9.1
Periodicals	68.8	9.6	3.5	6.5
Printing trades service industries	43.0	6.0	3.3	6.2
Books	50.9	7.1	3.3	6.1
Greeting cards	18.0	2.5	3.1	5.7
Lithographing	52.2	7.3	2.9	5.3
Miscellaneous publishing	12.0	1.7	1.1	2.1

Note: Details may not add to totals because of rounding.
Source: U. S. Census of Manufactures, 1947.

industry. In the periodical field, there are almost three times as many firms located in Massachusetts as in Connecticut but almost 70 per cent of the region's workers on periodicals are employed in Connecticut. They turn out a wide variety of publications ranging from trade journals to fashion magazines. Condé-Nast Press and Publications, Inc., a fashion magazine publisher and printer located in Greenwich, Connecticut, operates one of the largest printing and publishing establishments in the region.

Unlike so many of the nondurable-goods industries, where there is much regional specialization in the types of products turned out, there are few New England specialties in the printing and publishing field. Only four segments of the industry show a more than average concentration of production in New England. Regional plants turn out 17 per cent of all greeting cards produced in the country. About nine per cent of the nation's miscellaneous printing products, including such items as sheet music (long a specialty of Massachusetts firms), are produced within the region. New England bookbinding accounts for 12 per cent of all such work done in the United States.

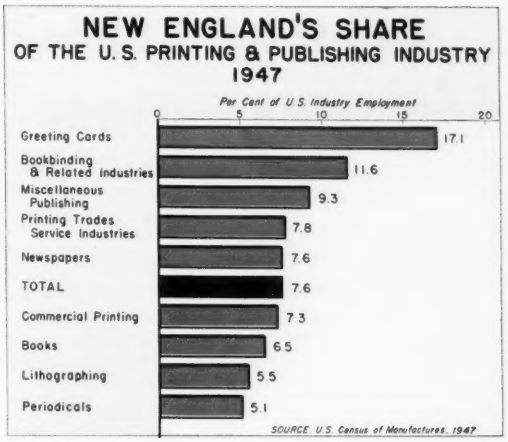
High labor costs relative to total costs have long encouraged the printing and publishing trades to develop labor saving machinery. The high cost of new equipment, however, has limited most changes to modification of existing installations, particularly in large organizations. Since the end of World War II, however, the squeeze on profits from continued upward wage pressures and rising material costs have further stimulated industry-sponsored research into new cost-cutting processes and equipment.

Industry Sponsors Cost-Cutting Research

In 1948, the American Newspaper Publishers Association set up a Mechanical Research Laboratory at Easton, Pennsylvania, to survey the possibilities of modernizing newspaper production departments. In the following year the Graphic Arts Research Foundation of Cambridge, Massachusetts, was formed to develop new processes and equipment for the printing industry through scientific research. Over one hundred firms in the newspaper, book publishing and manufacturing, and allied fields are taking part in the program. Many firms are working with these and various other industry research groups to simplify printing processes and increase productivity of workers and machines while at the same time improving the quality of products.

One development which gives great promise of reducing costs substantially is the electronic photo composing machine developed by the Graphic Arts Research Foundation. The new machine bypasses the old and costly method of putting words into type by melting type metal and forcing it into molds as is done by the linotype machines. Working at a keyboard resembling an electric typewriter, a regular typist can put copy onto film which is used to make metal printing plates. At present the process is believed to be too slow for use in newspaper plants. Work is already underway to find a quicker and cheaper plate-making process. The machine is now more suited for use in setting book type and in other forms of commercial printing.

The adoption of the teletypesetter by the major news services in 1951 speeded the transmission of news in ready-to-set form. It resulted in a major change in operation of composing rooms, especially among the smaller papers.



Many other new mechanical developments have already proved their worth by speeding up production and reducing costs. The development of lighter weight metal, plastic, and rubber plates, the use of plastic and fiber mats, new methods of engraving, and improvements in ink qualities all are contributing to lower costs and better quality. Research into cheaper methods of producing paper and of improving qualities, especially of newsprint, is also of major concern to this industry.

The rapid development of research-based printing techniques has led many to believe that the industry is on the brink of a revolution which may eventually result in discarding the movable type printing technique introduced by John Gutenburg in the fifteenth century.

Continued gradual growth of the printing and publishing industry can be expected in New England in view of the strong demand for the products of the industry. The regional industry is also well situated in regard to supplies. Much of its needs for paper are met by the many regional concerns turning out specialty papers and by the newsprint plants in New England and Eastern Canada. Other supplies are also readily available locally.

The impact of new technology and the resulting savings in production costs should also strengthen the New England industry. Less reliance on highly skilled, high wage operators should improve the competitive position of firms competing in the national market. While average wage rates in the New England branch of the industry are generally lower than in large metropolitan printing centers such as New York and Chicago, they are higher than in the South and Middle West.

During the postwar years, New England plants have spent large sums for new equipment which has aided the regional industry to maintain its competitive position nationally. Some segments of the industry may continue to decrease in relative importance, but such losses may largely be offset by gains in the greeting card, periodical and miscellaneous printing and publishing industries in the region.

Monthly Review
FEDERAL RESERVE BANK OF BOSTON

Demand Deposits of Business Rise As Personal Deposits Fall

DEMAND DEPOSITS owned by individuals, partnerships, and corporations at commercial banks in the First Federal Reserve District were an estimated $4,678 million at the end of January 1953. This level was almost two per cent above the $4,594 million reported at the end of January 1952. The gains occurred mainly in deposits of manufacturers and insurance companies, and were partially offset by declines in personal deposits.

The increase in demand deposits at commercial banks during the year ended January 31, 1953 fell behind the six per cent increases of both 1950 and 1951. Demand deposits in the country as a whole rose a little faster in the last year than did those in this district, but the national increase also failed to match growth during the two preceding years.

Financial businesses in the district increased their liquidity by building up deposits ten per cent. Demand deposits of insurance companies showed the greatest relative gain of any ownership category. They jumped from $262 million to $324 million in this district. The increase was concentrated in the larger banks, for the smaller banks showed a decline in insurance deposits.

Deposits of trust departments registered the second largest percentage growth in the district during the year, followed closely by deposits of manufacturing and mining concerns. Deposits of trade concerns showed little change during the year.

For the first time since the end of the war, district personal demand deposits decreased, by nearly 3 per cent, during 1952. There was a decline in personal accounts in each size group of banks. A higher rate of consumer spending and higher taxes, as well as the large volume of consumer credit and mortgage debt outstanding, may have led individuals to draw down their checking accounts to make repayments. An increasing flow of savings during the year into interest-earning assets, made more attractive by higher rates of return, was probably also influential in checking the rise of individual demand deposits. Personal checking accounts in the country as a whole rose by one per cent.

DEMAND DEPOSITS
OF INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS
Boston Federal Reserve District
January 31, 1945, 1950, 1952, 1953
(Estimates in Millions of Dollars)

Type of Ownership	*1945*	*1950*	*1952*	*1953*
Manufacturing and Mining	1,023.8	1,027.2	1,216.0	1,280.6
Public Utilities	155.9	157.0	176.0	182.2
Trade	529.3	639.6	751.4	745.3
Other Nonfinancial Business	158.1	236.5	269.1	270.5
Total Nonfinancial Business	**1,867.1**	**2,060.3**	**2,412.5**	**2,478.6**
Insurance	195.9	265.8	262.1	324.2
Other Financial Business	181.5	262.9	287.5	280.2
Total Financial Business	**377.4**	**528.7**	**549.6**	**604.4**
Total Domestic Business	**2,244.5**	**2,589.0**	**2,962.1**	**3,083.0**
Trust Funds of Banks	98.6	143.7	137.6	146.2
Nonprofit Organizations	134.9	173.8	190.5	179.6
Personal (Including Farmers)	965.2	1,162.2	1,293.3	1,257.8
Foreign	5.8	6.8	10.6	11.0
GRAND TOTAL	**3,449.0**	**4,075.5**	**4,594.1**	**4,677.6**

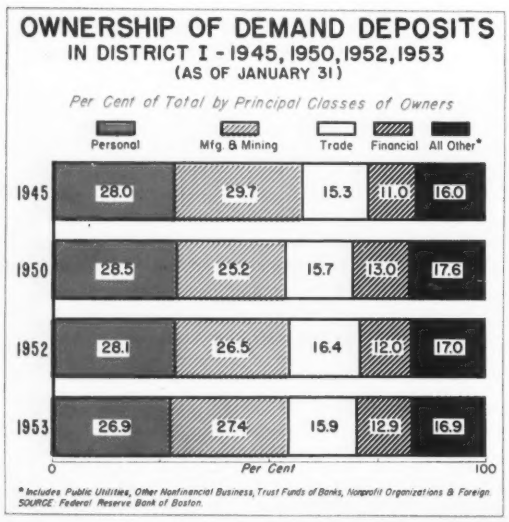
Source: Federal Reserve Bank of Boston.

The pattern of demand deposit ownership in the First Federal Reserve District has swung back toward the pattern in 1945 when the country's economy was still oriented toward wartime production. This shift, although gradual, has become pronounced since 1950. It has been reflected in the growing relative importance of manufacturing and mining, the decreasing importance of personal accounts, and the increase of financial deposits to accommodate business needs. Trade deposits are more important now than they were in 1945 when the level of trade was lower.

There was also a shift during 1952 in deposits held by the various sizes of banks. Deposits grew more rapidly in the smaller banks than in the larger ones.

The smallest banks, those with total demand deposits of less than $1,000,000, recorded a striking gain during 1952. Their deposits reached a level more than 14 per cent above those in January a year ago. During 1951 they had been the only size group to show a decline. Every ownership classification but insurance shared in the gain of the smallest banks. This gain may reflect a change in the proportion of business done in central areas, and the fact that deposits created in smaller areas tend to remain within the area rather than to diffuse as the loan proceeds from larger banks are apt to do.

The largest banks, those with deposits of over $100 million, reported the smallest percentage gain in demand deposits. Their financial accounts grew more than their nonfinancial accounts, and their deposits owned by miscellaneous nonfinancial businesses, trade establishments and individuals were down markedly.



Monthly Review
FEDERAL RESERVE BANK OF BOSTON

Technological Progress — Master Key to NEW ENGLAND'S FORESTRY FUTURE

WHAT ARE the prospects for a dynamic forest economy in New England, for rebuilding the depleted growing stocks of timber in the region and for enlarging the industry based upon timber resources? Much depends on the extent to which New Englanders take advantage of existing knowledge and gain new knowledge of how to turn their opportunities into accomplishments.

New England is making progress in forest resource management but not rapidly enough for full assurance that its future forest economy will keep pace with its needs. New England needs more forest owners who are convinced of the soundness and profitability of timber growing as a business enterprise. To them the price they receive for their timber (in relation to the cost of growing it) is an important determining factor.

This price matter is pertinent to adequacy of the future timber supply. Higher returns to timber growers can encourage permanent forestry as a business. Higher prices for timber on the stump reflect conditions favorable to close utilization and thus to tiding over a period of timber shortage. Prospects of higher returns would encourage greater assumption of the risks which are incident to timber growing.

On the other hand, relatively low prices for lumber, pulp, and other finished forest products (in relation to the cost of competing products) will be conducive to brisk consumption and to maintenance of the demands that will keep the forest economy rolling. What, then, is the problem New England faces as it comes to grips with the economics of its future forestry program?

If, as seems apparent, the solution involves stumpage prices high enough to encourage the growing of timber and end-product prices low enough to meet competition, it can be found, if at all, in the range of activity between the stump and the final consumer. In other words, it is a problem of operating costs. Ways must be found of controlling the cost of handling timber and of processing it in the woods and mills that will promise conditions favorable to timber growing and to the selling of forest products without penalizing the management and labor on whom the processing and handling job falls.

The first point, then, is that in looking ahead to the role of renewable forests in abundant living one may well consider the causes and the future prospects for the cost margin that separates woods and consumers.

* * *

A few years ago the National Bureau of Economic Research published a study of changes in the productivity of American manufacturing industry during the first four decades of this century. The Bureau reported that in those 40 years all industries combined showed a 113 per cent increase in physical output per man-year of labor. The average laborer was turning out in a year more than twice the quantity of goods produced by his predecessor of four decades back. In the paper and allied industries, the average worker did even better than this. But in the rest of the timber-based industries — where the great bulk of timber is used — output per man-year barely increased at all.

The tremendous gains in output by labor in most American manufacturing industries were not made by working harder or longer. Rather, they came with the help of better materials, equipment, methods, and skills — that is, technological progress, a continuing industrial evolution. It is clear that in most of the forest economy there has been no such evolution.

Technological progress — industrial evolution — in America has provided the means for creating abundance — for raising the level of living and the return to labor while restraining the rise in costs and prices. By the same token, lagging technology in the forest economy goes far to explain the widening cost margins that are a symptom of scarcity. It is no wonder there have been upward pressures upon timber-product prices and downward pressures upon the returns to stumpage and labor. In New England, and especially southern New England, the issue of technology in forestry and forest industry is more vital than in most other areas. New England has a high-wage-rate tradition, its wood-using industry is predominantly composed of small-scale operations, and it has lived through more years of forest depletion and high-cost timber imports than have most other regions. Moreover, the whole New England economy is engaged in a major endeavor to maintain its competitive position. Technological advancement plays an important part in this endeavor.

The second point, then, is that the size of the cost margin separating woods and consumers in New England depends heavily on the trend in technology within the forest economy.

* * *

The transition from forest scarcity to abundance may be aided by three adjustments: adjusting the use of timber to the supply of it, adjusting the growing of timber to the requirements for it, and adjusting forestry programs and policies. What bearing may technological developments have on each of these three ways of effecting the transition?

* * *

The real object of adjusting timber use to supply is not only to make the best of what there is, but also to make it possible to have more. The purpose is to build up timber stocks and, while doing so, to tide over the timber economy by keeping it running with the help of raw materials now unutilized or poorly utilized. What adjustments of this sort does the future hold?

There is no reason to expect that New England can

Adapted by Professor William A. Duerr, Head of the Department of Forest Economics, College of Forestry, State University of New York, from his speech before the 33rd annual meeting of the New England Section, Society of American Foresters, at Boston, Massachusetts, March 13, 1953.

soon regain past patterns of timber consumption, even those of a few decades ago. During the long period that the price of lumber has been rising relative to that of other commodities, at a trend rate of around one per cent a year, per capita use of lumber has been falling. Paper and paperboard consumption, meanwhile, has burgeoned. These are more than temporary changes in consumers' tastes and preferences.

Consumers have been transferring their favors from the technological laggards to the technological progressives and will probably continue to do so. They are forsaking wood in general, where forest technology has lagged. They are turning away from lumber, where techniques of logging, manufacture, and fabrication have been too slow to change. They are forsaking fuel wood, which also shows up badly in use technology.

What, then, is the outlook for putting into use raw timber material that is not now utilized or is not well utilized? On some fronts, such as the wider use of hardwoods and of sawlog tops and sawmill scrap in pulping, the prospect seems bright. The day may come when New England is as concerned with the supply of pulping hardwoods as it now is for softwoods. The chemical debarking of standing timber is a dawning innovation in cost reduction that promises fuller wood use. But there is still a long way to go in integrated timber utilization backed up by skillfully controlled log bucking and skillful sorting of logs at assembly points. With respect to most of the leavings from manufacture, from logging, and from timber growing, however, the processes that will make greater utilization feasible are not yet in sight. Wood faces competition from materials that are available in large concentrations and that can be pumped through pipelines. Such competition cannot be met by anything short of industrial evolution in the timber economy.

* * *

In the adjustment of timber growth to timber requirements, the question of technology enters in two ways. First is the technique of timber growing itself. There is great need for more research in this area. Before landowners can make real headway in efficient and profitable forest management, someone must learn what quantity and quality of tree growth may be expected from alternative forest conditions and treatments.

The second way in which technology enters the timber-growing problem is in the effect of forest management upon the technology of timber harvesting, transportation, and processing. One of the causes of lagging man-year output in logging and milling has been the increasing variability of timber and its declining size, volume, and quality. One of the causes of high cost between forest and consumer has been inability to raise timber output in New England, a region strategically close to principal markets.

It is expensive to grow large timber. Yet large logs, especially those of high quality, facilitate efficient handling and processing. Considering the extra costs of growing larger, higher-quality trees and the reduced costs of working them into products, where is the point of greatest economy? How will this point be affected if some means can be found for mechanical harvesting of uniform plantations or natural stands? More research in timber growing as well as in engineering is needed to answer these questions.

* * *

Finally, there is the third category of adjustment. What programs and policies will promote technological progress in the forest economy?

One is education. Some of the groups involved are the forest managers and the timber loggers, processors, and distributors. Each group, and the public at large, has a heavy stake in the progressiveness of the others. Each can give the others a new viewpoint on the problem of technology and a new enthusiasm for solving this mutual problem.

Beyond education to sell the urgency of progress in techniques, there is need for more education on better techniques themselves. Included here are the professional training of technical experts, the training of labor, and the extension education of forest owners and timber operators. Small-scale operators, particularly, need to be informed about new equipment and methods.

New equipment and methods, in turn, depend largely on research. The immense increase in research effort in recent years is a bright omen for the future progress of technology in the forest economy. Closely related to industrial research is the employment of technical experts for production and administrative jobs. This practice, which has been followed so successfully by the paper industry in both forests and mills, can with benefit be more widely adopted in other wood industries.

At this point, however, one comes hard up against a fact of life, the inherent handicaps to efficiency in small-scale forest operations. This fact holds special importance in New England, where small operations are common. Many programs now being adopted or discussed are in effect aimed at relieving the disadvantages of smallness. Expert consulting service in timber management is one; it can put in the small landowner's hands a tool otherwise restricted primarily to larger owners. Credit is another; here is a device for enlarging investment. Another is the leasing of forest land, which permits grouping operations into bigger units. Technological advancement in forestry will depend heavily on programs such as these. Advancement in the fields of timber industry and marketing that are dominated by small firms will depend heavily on technical service, credit, cooperation, integration, consolidation, and other schemes for gaining the advantages of size.

* * *

The statement is often made that New England's forest economy in the past has emphasized efficient timber extraction and that the emphasis must now be shifted to efficient timber growing. Surely, greater efforts in timber growing are essential to abundance. But regardless of all such efforts, the future offers forest abundance only if these efforts are accompanied by aggressive evolution in processing and handling of wood from the forest to the consumer.

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Monthly Review
FEDERAL RESERVE BANK OF BOSTON

Easter Sales Falter at Department Stores

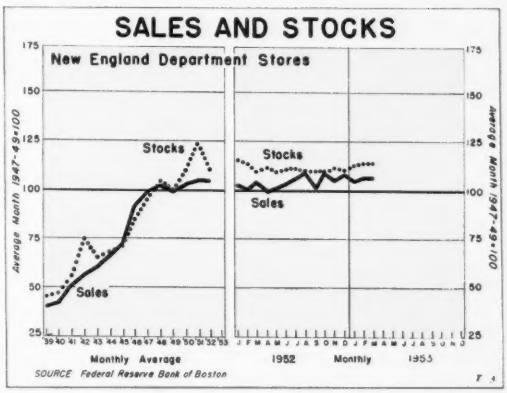
NEW ENGLANDERS spent somewhat less on their Easter outfits this year than they did a year ago. Easter-season sales of New England department stores fell about one per cent below the dollar volume of corresponding sales last year.

Because of the changing date of Easter from year to year, the clearest indication of the relative volume of Easter trade is obtained by comparing sales for an equivalent number of weeks before and after Easter each year. The weeks which are influenced the most by Easter shopping are the four weeks before and the two weeks after Easter Sunday. In the four weeks prior to Easter, sales normally increase in volume week by week. Sales generally drop sharply in the first week after Easter but recover in the second week.

An accompanying table presents a comparison of weekly sales of 51 southern New England department stores for the Easter seasons of 1952 and 1953. Easter Sunday fell on April 5th this year, a week earlier than last year when it was on April 13th. Sales for each week of the 1953 period are measured against those for the corresponding week before or after Easter in 1952. Total sales of all reporting stores exceeded those of a year ago in only the first two weeks of the Easter season. For the six-week period, total dollar sales slipped one per cent behind Easter sales in 1952.

Comparisons of sales by departments in downtown Boston stores during the same six-week periods show that none of the major soft-goods departments equaled year-ago figures. Sales of women's and misses' ready-to-wear apparel were off five per cent, those of women's and misses' accessories were down four per cent and those of men's and boys' wear dropped five per cent. On the other hand, sales of homefurnishings, which normally lag during the Easter season, continued to show sizable gains over the previous year's level. In the six-week period, homefurnishing sales were five per cent higher this year than they were a year ago.

During the first three months of this year, department store dollar sales ran consistently ahead of sales in corresponding months of 1952. Sales of the 51 stores



included in the Easter comparison showed year-to-year increases of about four per cent in January, five per cent in February, and 11 per cent in March. Nearly half of the March increase, however, was borrowed from April due to the change in the date of Easter. April sales fell four per cent below those for the same month last year and reduced the cumulative gain in sales for the year from seven per cent at the end of March to three per cent at the end of April.

The district index of department store sales, based on a larger sample of stores reporting monthly data, places March sales at about the same level as those for February, after adjustments for normal seasonal variation and the shift in the date of Easter. The adjusted index for April, however, is expected to show a decline of several points.

Why the Decline in Sales?

The failure of Easter-season sales at New England department stores to match those of 1952 may well have been an isolated phenomenon associated with the poor weather, rather than a slowing down in the rate of consumer spending. As yet, the other evidence available does not suggest an easing of consumer demand. The fact that sales of homefurnishings held up well during the Easter season seems to make the weather the more likely culprit.

The high level of store sales in the first quarter of the year was accompanied by a gradual increase in store inventories. The seasonally adjusted index of department store stocks for the district rose from 110 at the end of December to 114 at the end of March. At this level, stocks were about five per cent higher than they were on March 31 last year. Department store merchandise orders outstanding at the end of March were 14 per cent above similar orders a year ago. If the drop in sales during April should carry into subsequent months, retailers might find it necessary to adjust their inventory positions.

COMPARISON OF EASTER SEASON SALES
51 NEW ENGLAND DEPARTMENT STORES
Corresponding Weeks Before and After Easter, 1953 vs. 1952

City or Area	Per Cent Change 1952 to 1953 for Weeks Ending							Six-Week Total
	1953	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11	Apr. 18	
	1952	Mar. 22	Mar. 29	Apr. 5	Apr. 12	Apr. 19	Apr. 26	
	Before Easter					After Easter		
Downtown Boston		+ 1	+ 1	− 3	−6	− 3	0	−2
Suburban Boston		+12	− 1	+ 4	+9	+22	− 8	+6
Cambridge(included in suburban Boston)		+10	− 1	+ 4	+3	+22	−11	+3
Lowell-Lawrence		−27	+10	+25	+2	+ 2	+ 9	+3
Springfield		+ 1	+ 2	− 4	−5	− 1	− 2	−2
Providence		+ 4	− 4	− 4	−1	− 4	− 9	−3
New Haven		+11	− 1	− 4	+1	− 5	+ 6	−7
Other Southern N. E.		− 4	− 5	+ 3	−2	+ 2	− 3	−2
Total — All Stores		**+ 2**	**+ 1**	**− 2**	**−3**	**0**	**− 2**	**−1**

We are pleased to call your attention to the publication of the first three reports of the Committee of New England of the National Planning Association. The Committee's complete series of twenty reports will provide a comprehensive analysis of the New England economic situation.

Reports issued or shortly to be issued are:

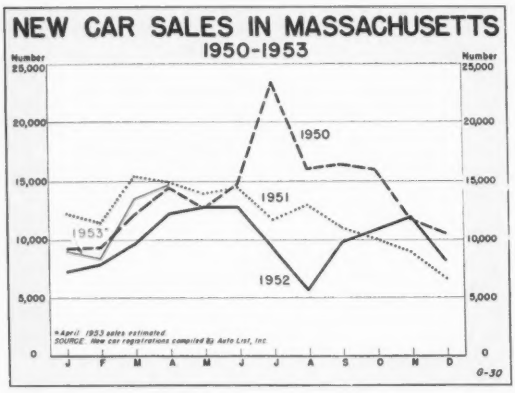
No. 11. *New England's Financial Resources and Their Use*, April, 45 pp., $1.00. A study of capital and credit sources, uses, and needs, with special reference to development agencies, small business, specialized financial agencies, and governmental institutions.

No. 1. *The Forests of New England*, May, 34 pp., $.60. A statement of New England's forest resources and their use and significance to the region, as well as goals for increased regional output of forest products and a detailed discussion of both the problems in reaching those goals and desirable methods of achieving them.

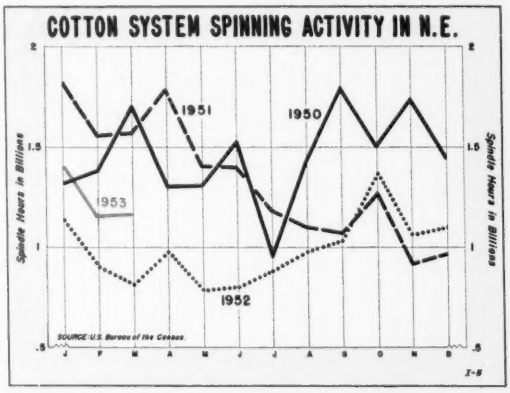
No. 2. *The Fisheries of New England*, May, 39 pp., $.60. A detailed report on the nature, operations, and problems of the New England fishing industry, with special emphasis on the expansion of market demand for fish products, foreign competition, supply conditions, and intra-industry relations.

These reports may be purchased through The New England Council, Statler Office Building, Boston. The Committee's other reports are scheduled for separate publication later in 1953.

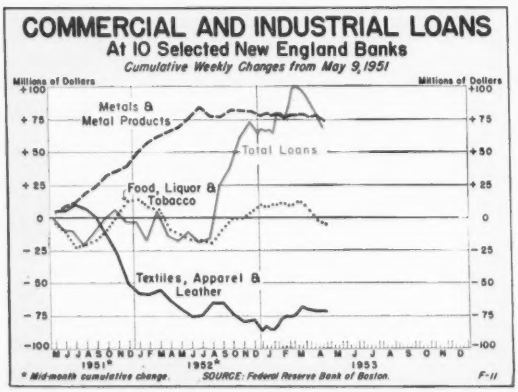
The complete set of 20 reports will be published in a single volume by the Yale University Press under the title *The Economic State of New England*. Copies may be ordered from the Press at a price of $6.00.



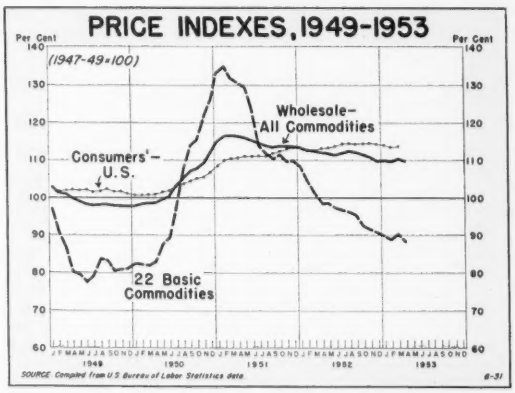
Sales of new cars in Massachusetts during April were 18 per cent higher than a year ago. In the Jan.-April period, cumulative sales were 21 per cent higher in 1953 than in 1952. Sales continued at a relatively high level through mid-May.



The spring season in the cotton textile industry is more promising than a year ago. Stocks and unfilled orders are at better levels, and goods are moving satisfactorily. Spindle activity at N. E. cotton mills in March was 40 per cent higher than a year ago.



Commercial and industrial loans at a sample of N. E. banks were $97 million higher on April 30 than a year ago. The decline in loans outstanding during April was concentrated in the Food, Liquor, and Tobacco and Sales Finance Company classifications.



The index of 22 spot market prices declined slightly in April, as prices of lead scrap and tin dropped sharply and prices of hogs and hides rose substantially. Primary market and consumer price indexes have been stable, despite declining prices for meats.